

# **Minnesota's Telephone Assistance Plan (TAP)**

## ***A Refresher***

Prepared by:

Lillian A. Brion  
Telecommunications Analyst  
Minnesota Public Utilities Commission  
651-201-2216  
[lillian.brion@state.mn.us](mailto:lillian.brion@state.mn.us)

Theresa Staples  
Telephone Assistance Plan (TAP) Administrator  
Minnesota Public Utilities Commission  
651-201-2202  
[theresa.staples@state.mn.us](mailto:theresa.staples@state.mn.us)

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## I. Introduction

The Minnesota Telephone Assistance Plan (TAP) is a state program that provides financial support through bill credits to eligible telephone subscribers. TAP has provided telephone assistance to Minnesota subscribers since the program's implementation in 1988. TAP provides a monthly subscriber discount of \$3.50 on one wireline residential telephone service.

## II. History of TAP

In 1987, the Legislature created the TAP program to be administered jointly by local telephone service providers, the Public Utilities Commission (Commission), and the Department of Human Services. The program was initially designed to provide monthly credits to the telephone bills of low-income subscribers who are also either at least 65 years old or disabled. Applications were verified by the Department of Human Services before benefits were granted to subscribers.

TAP underwent significant changes since 2003. Most notable developments include:

- a) Minnesota law that took effect on August 1, 2003, that allowed TAP to mirror the eligibility requirements of the federal Lifeline program<sup>1</sup>; and
- b) an Order by the Federal Communications Commission (FCC) that expanded the eligibility for the federal Lifeline Program effective July 22, 2004<sup>2</sup>; and
- c) the FCC Lifeline Reform Order released on February 8, 2012, which made comprehensive changes to the program. TAP supplements the federal Lifeline Program and allows for increased benefits to Minnesota subscribers.

TAP is now jointly administered by the Public Utilities Commission, the Department of Commerce, and local telephone service providers.

The FCC made sweeping changes to the Lifeline program in its Lifeline Reform Order released in early 2012. Among the major changes include: Replacement of the four-tier Lifeline support with a flat, interim rate of \$9.25 per month; elimination of the Link-Up support in non-tribal lands; requirement for all states to use, at a minimum, a uniform income and program eligibility criteria; requirement for local telephone service providers to conduct annual re-certification of their entire subscriber base; and de-enrollment of subscribers based on situations of non-usage, duplication of support, non-response to re-certification, and determination of ineligibility.

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<sup>1</sup> SF 1260/HF 1115 and Minn. Stat. § 237.70.

<sup>2</sup> FCC Report and Order and Further Notice of Proposed Rulemaking, FCC 04-87 released on April 29, 2004, and published in the Federal Register on June 22, 2004.

### III. Related Assistance Programs

TAP, TAM (Telecommunications Access Minnesota) and 911 are assistance programs paid by all local telephone service customers through a combined monthly bill surcharge. The TAP surcharge is applied only to wireline local telephone service customers.

Pursuant to [Minnesota Statutes 403.11](#), Subd. 1 (c) the surcharge fee collected by local telephone service providers for TAP/TAM/911 are remitted to the Department of Public Safety. Forms for remitting these fees collected, is available at the Department of Public Safety's website [Wire-Line Monthly-Quarterly Fee Form for 2013; Wire-Line Annual Fee Form for 2013](#).

An understanding of TAP is not complete without understanding related programs. TAP currently mirrors the eligibility criteria of the federal Lifeline Program. The features of the related programs are:

#### A. federal Lifeline Program

Lifeline is a component of the federal Universal Service Program designed to provide low-income individuals with a monthly telephone service discount. Currently, Lifeline provides a flat, interim \$9.25 in monthly credits that applies to either a wireless telephone service plan or to a wireline telephone service plan. One monthly credit per household. Additional benefits are available to subscribers living on federally-recognized tribal lands.

All telecommunications carriers that provide interstate and international telephone service pay contributions into the [federal Universal Service Fund \(USF\)](#). Further information on Lifeline's Program is available at the [Federal Communication Commission \(FCC\)](#) and the [Universal Service Administrative Company \(USAC\)](#).

#### B. Telecommunications Access Minnesota Program (TAM)

The program was formerly known as Telecommunications Access for Communication Impaired Persons (TACIP). TAM provides Telecommunications Relay Service, which facilitate telephone conversations between persons with a hearing loss or speech disability and the person with which they wish to speak (pursuant to [Minnesota Statutes 237.50-.56](#)). TAM also oversees the Telephone Equipment Distribution (TED) Program, which provides free assistive telecommunications equipment to eligible Minnesotans who are having difficulties using the telephone due to a hearing, speech, vision, or physical disability. Information about TAM is available from the Minnesota Department of Commerce at [www.mnrelay.org](http://www.mnrelay.org). Questions about the program may be directed to Rochelle Garrow, TAM Administrator, at [rochelle.garrow@state.mn.us](mailto:rochelle.garrow@state.mn.us) or 651-539-1878, 1-800-657-3599.

#### C. Minnesota 911 Program

911 is the statewide emergency response system governed by [Minnesota Statutes 403.11](#). The Department of Public Safety coordinates the program and sets the surcharge level. Questions related to 911 may be directed to the 911 Program Manager at 651-201-7546. More information can be found at the Department of Public Safety's website at <https://dps.mn.gov/divisions/ecn/programs/911/Pages/default.aspx>

#### IV. TAP Features

TAP provides monthly credits to low-income subscribers who also qualify for the federal Lifeline Program. [Minnesota Statutes 237.69 - .711](#) govern TAP.

[Minnesota Rules Chapter 7817](#) provides guidelines on the implementation of TAP. The major features of TAP are:

##### A. Eligibility Criteria

A subscriber qualifies for TAP if he or she qualifies for Lifeline. The wireline, telephone service must be in the subscriber's name with one wireline telephone service per household.

Pursuant to the [FCC Lifeline Order](#), **qualification can be based on total household income that is at or below 135% of the [federal Poverty Guidelines](#):**



Lifeline

2014 Federal Poverty Guidelines – 135%

Household Size	48 Contiguous States and D.C.	Alaska	Hawaii
1	\$15,755	\$19,683	\$18,117
2	\$21,236	\$26,541	\$24,422
3	\$26,717	\$33,399	\$30,726
4	\$32,198	\$40,257	\$37,031
5	\$37,679	\$47,115	\$43,335
6	\$43,160	\$53,973	\$49,640
7	\$48,641	\$60,831	\$55,944
8	\$54,122	\$67,689	\$62,249
For each additional person, add	\$5,481	\$6,858	\$6,305

- [Source](#): Federal Register, Vol. 79, No. 14/Wednesday, January 22, 2014, pp. 3593-3594
- The federal poverty guidelines are typically updated at the end of January.

To prove income eligibility, any of the following documents must be attached to the application:

- Last year's State, Federal or Tribal Tax Return
- Social Security Benefits Statement
- Current annual income statement from employer
- Retirement/Pension Benefits Statement
- Three consecutive months of most recent paycheck stubs
- Divorce Decree
- Veterans Administration Benefits Statement
- Child Support Document
- Unemployment/Workmen's Compensation Statement

**Or,**

**Participation in one of the following assistance programs:**

- Medicaid/Medical Assistance
- Supplemental Nutrition Assistance Program (SNAP or Food Stamps)
- Minnesota Family Investment Program (MFIP)/Temporary Assistance to Needy Families (TANF)
- Supplemental Security Income (SSI)
- Federal Public Housing Assistance or Section 8 Assistance
- Low Income Home Energy Assistance Program (LIHEAP)
- National School Lunch Program's free lunch program
- Head Start

**Additional qualifying assistance programs for persons living on a reservation:**

- Link up Program (discount on activation charges)
- Bureau of Indian Affairs General Assistance
- Tribally administered Temporary Assistance for Needy Families (TTANF)
- Food Distribution Program on Indian Reservations (FDPIR)

**B. TAP Application**

The [Minnesota Telephone Service Discount Application: Lifeline and Telephone Assistance Program Form](#) must be completed by the subscriber for the purpose of certifying eligibility for TAP. The **Minnesota Telephone Service Discount Application Form: Lifeline and Telephone Assistance Program Form** is shown in Attachment 1.

The local telephone service provider is required to notify each customer of the TAP availability pursuant to [Minnesota Statute 237.70 Subd. 7](#) and to mail each prospective applicant the [Minnesota Telephone Service Discount Application: Lifeline and Telephone Assistance Program Form](#). The customer must mail the completed application to their local telephone service provider attaching income eligibility documentation(s) or documentation showing proof of participation in qualifying assistance program(s).

**C. TAP Benefits**

[Minnesota Statutes 237.70](#) requires the Commission to set the amount of monthly credit. The monthly credit is currently at **\$3.50** per month/per eligible household as set in the Commission's Order dated July 10, 2013.

The law provides that the TAP credit, a) be up to the amount available under the federal matching plan; b) may not exceed more than 50 percent of the local exchange rate by the local telephone service provider; and c) may not exceed what can be funded from the surcharge collections.

The TAP credit is in addition to the Lifeline credit.

#### D. Funding

The Commission is authorized to assess a monthly surcharge not to exceed ten cents per access line. The surcharge is presently set at **\$0.03** per access line/per month based on the Commissions' Order dated July 10, 2013. The surcharge is remitted by the local telephone service providers to the Department of Public Safety in combination with the surcharges collected for the Telecommunications Access Minnesota (TAM) and the 911 Program.

#### E. Complaint Investigation

Complaints against local telephone service providers related to TAP shall be investigated by the Department of Commerce and results of any investigation shall be reported to the Commission. To make a complaint against a telephone company about the TAP program, call or email the Department of Commerce at [telecom.commerce@state.mn.us](mailto:telecom.commerce@state.mn.us) or 651-539-1876.

#### V. Obligations of Local Telephone Service Providers

[Minnesota Statutes, Chapter 237](#) and [Minnesota Rules, Chapter 7817](#) governing the Telephone Assistance Plan (TAP) are available online at the [Minnesota Office of the Revisor of Statutes](#).

Federal rules only require Eligible Telecommunications Carriers (ETCs) to provide Lifeline assistance. Minnesota's state TAP program requires all local telephone service providers, including competitive local exchange carriers (CLECs), to provide telephone assistance to qualified customers and to remit TAP contributions for all access lines in the state.

**TAP, Lifeline and Link-Up: Who Must Offer These Programs?** The chart below summarizes which programs are offered by each type of carrier:

	TAP	Lifeline	Link-Up
Wireless ETCs		X	X (Tribal Lands)
ILECs	X	X	X (Tribal Lands)
CLECs (non-ETCs)	X		
CLECs (ETCs)	X	X	X (Tribal Lands)

The TAP laws and Commission rules apply to each local telephone service provider defined in Minnesota Statutes 237.01 as any person, firm, association, or any corporation, private or municipal, owning or operating any telephone line or telephone exchange for hire, wholly or partly within this state, or furnishing any telephone service to the public.

Among the local telephone service providers' obligations related to TAP are:

##### A. Customer Notice

All ETCs are required to give notice of the availability of Lifeline and TAP programs. [Minnesota Statutes 237.70](#), Subd. 7 (b) requires each telephone service provider to annually mail a notice of the availability of the program to each residential subscriber. A suggested template for [Annual Notice to Residential Customers](#) is shown in Attachment 2.

## B. Certification and Annual Re-Certification

Consistent with the Lifeline process, local telephone service providers are required to check the eligibility of low-income customers seeking to enroll in Lifeline and TAP either by accessing state or federal social services electronic eligibility databases, or by reviewing documentation demonstrating the subscriber's eligibility. The local telephone service providers are also required to annually re-certify each subscriber's eligibility.

## C. Surcharge Collection and Remittance

The TAP laws require local telephone service providers to collect the TAP surcharge and to remit such collections to the Department of Public Safety for deposit in the TAP fund in accordance with [Minnesota Statutes 403.11](#). The TAP surcharge may be combined with surcharges for 911 and TAM.

## D. Recording and Reporting

The TAP statutes require local telephone service providers to maintain adequate records of surcharge revenues, expenses and credits related to TAP.

The statutes also require local telephone service providers to file either monthly or quarterly reports no later than 30 days after the end of the selected reporting period. Local telephone service providers with less than 100 subscribers may file annually. For reporting TAP revenues and administrative expenses for reimbursement, file the Commission-prescribed [TAP Reporting Form](#) shown in Attachment 3.

For verification of collections remitted to the Department of Public Safety, and following the procedures suggested by the Legislative Auditor, a copy of the [Wireline Fee Remittance Form\(s\)](#) must be inserted in to the [TAP Reporting Form](#) when eFiled. The [Wireline Fee Remittance Form\(s\)](#) is shown in Attachment 4.

## E. Tariff Filing

A copy of the suggested template for Tariff is shown in Attachment 5.

## F. Annual Reporting

Each local telephone service provider is required to provide the Commission and the Department of Commerce, either as part of its annual report or separately, a financial report of its experience under the plan for the previous year. The report shall be adequate to satisfy any reporting requirements of the federal matching fund.

## VI. TAP Reporting Form

[TAP Reporting Form and Instructions](#) (Attachment 3)



## VII. Contact Information

Telephone Assistance Plan (TAP) information and compliance forms are available at <http://www.mn.gov/puc/telecom/for-utilities/tap-form/index.html> Program inquiries may be directed to Theresa Staples, TAP Coordinator, at [theresa.staples@state.mn.us](mailto:theresa.staples@state.mn.us), 651-201-2202.

Telecommunications Access Minnesota (TAM) program information and compliance forms are available at [www.mnrelay.org](http://www.mnrelay.org). TAM program inquiries may be directed to Rochelle Garrow, TAM Administrator, at [rochelle.garrow@state.mn.us](mailto:rochelle.garrow@state.mn.us) or 651-539-1878 or 1-800-657-3599.

[911 Program forms](#) and reimbursement inquiries may be directed to the Department of Public Safety's, 911 Program Manager at 651-201-7546.

Consumers with eligibility inquiries may contact the Minnesota Public Utilities Commission, Consumer Affairs Office at [consumer.puc@state.mn.us](mailto:consumer.puc@state.mn.us) or 651-296-0406 or 1-800-657-3782.

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